

# Scammers get savvier in trying to swindle Wisconsin utility customers

## They program caller ID, ask for money so power isn't cut off

By [Thomas Content](#) of the Journal Sentinel  
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Fred Loy was busy with customers at his shop in downtown Waunakee when the phone rang.

The local utility was ready to install a new meter and needed a deposit of \$499. "Richard" from the utility was calling to say that the new-meter notice, sent out months earlier, must have gotten lost in the mail.

It was time for Loy to pay up, or the utility would cut the power at Loy's business.

Loy owns Fred's Village Meat Market, known for its beef jerky and 28 varieties of brats. Some customers recommend the jalapeño.

"I have freezers full of meat, coolers full of meat," he said. "At any given time I have \$60,000 or \$70,000 worth of meat, and you don't want your freezers down."

It was over 90 degrees outside. Inside, Loy was cool enough, but anything but calm.

"He caught me off guard," said Loy, who avoided becoming a victim of a nationwide utility scam that's popping up in greater numbers all over Wisconsin this summer.

Scam artists are getting more sophisticated in trying to swindle utility customers.

Some examples:

- The caller ID on your phone says the electric utility is on the line and the call is urgent: "Your meter is malfunctioning and your house could explode."
- The caller says he's from the "Wisconsin Energy Disconnection Department" and says you're behind on your bills and need to pay now.

In both cases, the caller directs the customer to a store to buy a prepaid debit card — or "green dot card" — then call him back with all of the numbers on the card. After that, the money is gone.

### Broader swath targeted

The net being cast by such hucksters is widening, according to utilities and public safety agencies. Scams that

initially targeted primarily Latino customers are now aimed at a broader swath of customers, both residential and small businesses.

"We've seen it kind of ebb and flow, where we see a spike in activity and then it dies off," said Cathy Schulze, We Energies spokeswoman. "Over the last two to three months we understand that we've had another one of those spikes."

We Energies has registered about 500 to 600 reports over the past year and a half, she said. Of those, about 10% of those who contacted the utility say they were victimized by the scam perpetrators, she said.

The Better Business Bureau has documented the surge in scams that were unheard of just a few years ago. The BBB fielded about 100 inquiries about this type of scam in 2011, but that ballooned to more than 5,000 last year. The scams have picked up in Wisconsin, with most recent targets including small businesses in Beloit and Madison and Loy's shop in Waunakee.

Loy said the scammers had an answer for everything he said. "They had me going," he said. "I was convinced it was real for quite a long time. They had my blood pressure up."

In the end, something didn't seem right. Loy said he was ready to pay by credit card or check to get the meter problem addressed, but said it didn't seem right to have to go to Walgreens and buy a prepaid card.

To settle the confusion, he ended up calling the police. But other customers don't realize the scam and become victims, utilities report.

### **'Customers smell a rat'**

Most consumers are savvy enough that they realize they're not behind on their bill, or realize that having to run to a store to get a debit card isn't how a utility would go about its business.

But in some cases, utility customers in Wisconsin have lost hundreds of dollars, in at least one case more than \$1,000.

"Thankfully, most customers smell a rat and call us, which is, of course, what we want them to do," said Kerry Spees, spokesman at Wisconsin Public Service Corp., the utility serving northeastern Wisconsin.

Utilities are trying different ways to get the word out, from Spanish-language brochures and bill inserts to brochures left with community groups. Last month, Beloit's downtown business association sent an alert after businesses there got calls claiming that Alliant was going to install new meters and requiring a deposit or else the "utility" would shut the old meter off right away, utility spokeswoman Annemarie Newman said.

Businesses in Madison are seeing the scam "coming in waves," said Steve Kraus, a spokesman for Madison Gas & Electric.

"We think what's happening is these scammers are buying lists of certain businesses, because over the course of a couple days we got people calling us from restaurants, or bakeries or hair salons — even funeral homes — groups of them over the course of two days they were getting calls."

### **Savvy with caller ID**

The origin of the scams isn't clear. Madison Gas & Electric has been working on the issue with the Madison

Police Department, and one of the calls was traced back to the Caribbean. The scam perpetrators were able to program the caller ID to say "MG&E" and listed a call-back number with the correct area code, Kraus said.

"We've been told that these scammers are very good at what they do and very difficult to catch," Kraus said.

"People have ways of disguising their locations," said Howard Payne, spokesman for the Madison Police Department. "It makes it extremely difficult to pinpoint where that individual might be."

Madison police have logged more than 50 cases since March, Payne said. The message isn't always the same, but when the scammers are successful it's because they've caught a business owner off guard.

"If you own a restaurant, and it's Friday night, and maybe you're not responsible for your bookkeeping and someone's on the phone telling you the electricity is going to be cut off in an hour, you know what that could mean in terms of a loss, a significant hit to your business," Payne said.

"They're playing on people's fears and putting people in a position where they're really believing what they're being told instead of verifying," Payne said. "That's really what's making this thing be successful for the criminals."

## Listen to instinct

Utilities say customers should keep several things in mind when they're answering the phone and someone is purporting to be from the power company.

Utilities own the electric meters and wouldn't require any deposit for a new one. Customers who are behind on their bills get written notices of a possible disconnection, so customers who are behind on their bills should already have gotten a notice if they are in danger of being shut off.

"If something doesn't seem right, listen to that instinct," said Schulze, of We Energies. "Don't call the number that they gave you. Call our customer service line."

At his meat shop in Waunakee, Loy said he hopes other utility customers hear the message, but said he understands how some customers were bilked out of their money.

"Your mind kind of plays tricks when they catch you off guard. I ended up making the right call, calling the police, but if they would have taken a check over the phone or something, I would probably have done it," he said. "Because you don't want your electricity off."

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